

SECRET

DCI/NIO Conference -- NIO/EUR, 24 October 1984

1. INF and 1985

While the peace movements appear unable to mobilize public demonstrations comparable to last year, a number of developments suggest that the issue is not yet fully behind us:

- USIA polls show anti-INF opposition in several basing countries higher now than before deployment.
- Dutch concern that recent US statements on the number of Soviet SS-20s appear contradictory could make the Lubbers government suspicious about US representations to allies and encourage talk of not deploying cruise missiles in 1986; the Soviets might consider manipulating their SS-20 base construction to encourage a negative Dutch decision next year.
- The INF issue could also be revived in Belgium -- where deployments are slated for March 1985 -- if national elections are moved to the early spring; any changes in the governing coalition would likely be less favorable to deployment.

2. Yugoslavia: Engine Issue

A Cabinet discussion on the sale of an advanced Pratt-Whitney jet engine to Yugoslavia is likely in the near future, [REDACTED]

[REDACTED] and the next bilateral Joint Military Committee meeting is also scheduled for November.

US policy generally is to encourage a militarily strong Yugoslavia, independent from Moscow, and arms sales have been one means of encouraging such independence. However, Yugoslavian support to terrorism and its ability to safeguard US technology have become issues in this dispute. CIA assessments show:

- Belgrade cooperates with Fatah and other PLO affiliated groups, providing them with training, safehaven and transit through Yugoslavia.
- There have been no proven diversions of COCOM-controlled equipment to Soviet bloc countries in the past decade, although opportunities exist for illegal transfers to the Soviets.

Any Cabinet discussion will likely address whether these above mentioned factors outweigh the general principle of encouraging Yugoslav independence from USSR.

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